

VBA 2024 Legislative Report Week 4

BOTTLE BILL OVERRIDE

On Tuesday, the Senate failed to override the Governor's veto of [H.158](#), a bill that would have expanded the bottle redemption system. The Governor vetoed the bill last summer after it passed the House and Senate. You can read his veto message [here](#). It's unlikely that any new changes to the bottle redemption system will be considered again during Governor Scott's tenure.

DLL DTC REPORT

This week, the DLL released a [report on a direct-to-consumer shipping compliance](#) survey. The report's conclusions were stark:

Based on the results of this pilot program, DLL concludes that lawful Direct to Consumer (DTC) shipping in Vermont is significantly underregulated and would take a significant investment to properly regulate and ensure public safety.

The fact that only half of the products received were shipped by a licensed entity is problematic. And of those licensed entities, only 20% reported their shipment to DLL. The pilot program revealed that common carriers are generally compliant with state training requirements (60% of the time) and compliant at obtaining signatures at the time of delivery (88% of the time). DLL also found that shippers generally comply by marking shipments as "containing alcohol" (85% of the time).

In terms of public safety, the Department is concerned that in both instances of a minor receiving the alcohol beverage shipment, the product was delivered without asking for identification. In fact, Identification was only asked of the recipient 20% of the time. As a comparison, DLL sees a 85%-90% compliance rate for sales to minors at brick-and-mortar establishments.

Alcohol sales via DTC shipping is difficult to regulate. The cost of a comprehensive program would be extremely expensive for any widespread application. The Department does not currently have the resources to regulate the currently licensed activity.

It's not yet clear what, if any, steps the legislature will take to respond to the results of the DLL survey. We will keep you posted.

MISCELLANEOUS ALCOHOL BILL

On Wednesday last week the [House Government Operation committee](#) began consideration of alcohol issues that may be included in a miscellaneous tax bill.

The committee first heard an [update](#) from Wendy Knight, Commissioner of DLL. Next, the committee heard from the sponsors of the following bills:

- [H. 643](#) - **An act relating to the sale of closed containers of alcoholic beverages within a first- or third-class license serving area.** Under current law, establishments that have both a first (and/or third) and second-class license, must have a segregated space for each license at a single establishment. This bill would remove the segregated space requirement and allow both (or all three) licenses to operate in a contiguous space within an establishment.
- [H. 680](#) - **An act relating to expanding access to special venue serving permits.** Under current law, a special venue serving permit may be granted to an art gallery, bookstore, public library or museum after receiving approval from the local control commission and paying a fee. A special venue serving permit authorizes the holder to serve beer, wine or RTDs, purchased directly from a retailer. The bill would replace the word “bookstore” with “retail establishment” thereby expanding the types of retailers that can access this type of permit.
- [H. 662](#) - **An act relating to the merger of entities that hold separate alcoholic beverage licenses.** This bill would allow two or more licensed entities that have merged and formed a parent corporation to continue to hold separate alcoholic beverage licenses while operating under a unified payroll and administrative system. This bill came from Eden Cider Co. They purchased Shelburne Vineyard and created a holding company that owns 100% of both Eden and Shelburne Vineyard. When they merged the two companies, they were stymied by a provision in statute that requires personnel to be employees of the licensee. They want to have all employees on the same payroll and still maintain separate licensed facilities. They went to DLL and requested a waiver but DLL couldn’t grant it because it’s a statutory issue.

The committee seemed open to each of these proposals. The VBA GAC reviewed each of these bills and did not find any of them to be objectionable. The VBA has requested an opportunity to meet the committee to review the craft beer industry and outline policy priorities. We expect that hearing to be the week of February 5th.

HEADLINES OF NOTE

[House Passed FY24 Budget Adjustment Act](#)

[Senate fails to Override Bottle Bill Veto by Three Votes](#)

[House Votes to Extend the Motel Program Yet Again](#)

[Capitol Recap: Lawmakers retooled Vermont’s school funding law. Now, no one is happy](#)

VBA 2023/2024 BILL REPORT			
Bill	Sponsors	Description	Status
H 601	Rep. Lawrence Satcowitz	<p>An Act Relating To Prohibiting The Presence Of Toxic Chemicals In Plastic Packaging</p> <p>This bill proposes to prohibit the presence of certain high priority materials and high priority chemicals in packaging or packaging components sold or distributed in the State.</p>	<p>Committees: House Environment and Energy</p> <p>Status: Read First Time and referred to the Committee on Environment and Energy (01/03/24)</p>
H 643	Rep. Lucy Boyden	<p>An Act Relating To The Sale Of Closed Containers Of Alcoholic Beverages Within A First- Or Third-class License Serving Area</p> <p>This bill proposes to allow the holder of any combination of first-, second-, and third-class licenses to sell closed containers of alcoholic beverages, for off-premises consumption, anywhere in first- or third-class licensed premises.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)</p> <p>First hearing held 1/24</p>
H 662	Rep. Michael Marcotte; Rep. Woodman Page	<p>An Act Relating To The Merger Of Entities That Hold Separate Alcoholic Beverage Licenses</p> <p>This bill proposes to allow two or more licensed entities that have merged and formed a parent corporation to continue to hold separate alcoholic beverage licenses while operating under a unified payroll and administrative system.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)</p> <p>First hearing held 1/24</p>

H 680	Rep. Katherine "Kari" Dolan; Rep. Matthew Birong; Rep. Stephanie Jerome	<p>An Act Relating To Expanding Access To Special Venue Serving Permits</p> <p>This bill proposes to allow any retail establishment to acquire a special venue serving permit from the Division of Liquor Control.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)</p> <p>First hearing held 1/24</p>
H 726	Rep. Kate Nugent	<p>An Act Relating To Compliance Checks By The Division Of Liquor Control</p> <p>This bill proposes to require the Division of Liquor Control to perform regular compliance checks of alcoholic beverage licensees.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/10/24)</p>
BILLS INTRODUCED IN 2023 THAT ARE STILL "ALIVE"			
H 7	Rep. Anne Donahue	<p>An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7</p> <p>This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/05/23)</p>
H 78	Rep. Matthew Birong	<p>An Act Relating To Repealing The Sunset Of 7 V.s.a. § 230</p> <p>This bill proposes to repeal the sunset of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption) to allow licensees to sell alcoholic beverages for pick up or delivery beyond July 1, 2023.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/20/23)</p>
H 225	Rep. Joseph "Chip" Troiano; Rep. Avram Patt; Rep. Brian Cina; Rep. Dennis LaBounty; Rep. Emma Mulvaney-Stanak; Rep. James Carroll; Rep.	<p>An Act Relating To Eliminating The Tipped Minimum Wage</p> <p>This bill proposes to require that tipped employees are paid the standard minimum wage by 2024.</p>	<p>Committees: House General and Housing</p> <p>Status: Read First Time and referred to the Committee on</p>

	James Masland; Rep. John Arrison; Rep. Josie Leavitt; Rep. Kate Logan; Rep. Kate McCann; Rep. Kristi Morris; Rep. Leslie Goldman; Rep. Michael Mrowicki; Rep. R. Scott Campbell; Rep. Robert "Bobby" Farlice-Rubio; Rep. Troy Headrick		General and Housing (02/10/23) VBA OPPOSES THIS BILL
H 261	Rep. Logan Nicoll	<p>An Act Relating To Retail Delivery Of Alcoholic Beverages By Third-party Contractors</p> <p>This bill proposes to allow the holder of a second-class license and retail delivery permit to deliver certain alcoholic beverages to individuals 21 years of age or older through an approved third-party contractor and amend the provisions related to the permitted hours of sale.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/15/23)</p>
H 272	Rep. Matthew Birong	<p>An Act Relating To A Reciprocity Requirement For Out-of-state Consumer Shipping Licenses</p> <p>This bill proposes to limit the issuance of out-of-state malt beverage consumer shipping licenses to breweries that are located in states that allow Vermont brewers to acquire consumer shipping licenses.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)</p>
H 273	Rep. Matthew Birong	<p>An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines</p> <p>This bill proposes to authorize a manufacturer of spirits or fortified wines to acquire a consumer shipping license and ship the manufacturer's products directly to consumers in Vermont.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)</p>
H 417	Rep. Kelly Pajala; Rep. Logan Nicoll	<p>An Act Relating To Drink Specials</p> <p>This bill proposes to permit a first- class licensee to sell malt and vinous beverages at a reduced price during a period of not more than two hours each day. It also proposes to permit a third- class licensee to sell spirits and fortified wines at a reduced price during a period of not more than two hours each day.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/28/23)</p>

			VBA SUPPORTS THIS BILL
S 60	Sen. Kesha Ram Hinsdale; Sen. Thomas Chittenden	<p>An Act Relating To Local Option Taxes</p> <p>This bill proposes to authorize: (1) any Vermont municipality to adopt a one percent local option tax on sales, meals and alcoholic beverages, and rooms; and (2) the Commissioner of Taxes to disclose a municipality's local option tax data to the town manager or legislative body of that municipality, provided that the disclosure subjects the recipient to the penalties for unauthorized disclosure of confidential tax data.</p>	<p>Committees: Senate Finance; House Government Operations and Military Affairs; Senate Finance?</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (04/11/23)</p>
S 86	Sen. Richard Westman	<p>An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7</p> <p>This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/16/23)</p>
S 107	Sen. Richard Westman	<p>An Act Relating To Authorizing Off-site Tasting Rooms For Alcoholic Beverage Manufacturers</p> <p>This bill proposes to allow holders of a manufacturer's or rectifier's license to acquire a first-class license to sell their products at a tasting room that is not located on property contiguous with the manufacturing location.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: This bill was considered by the committee last year and essentially put on hold because of tied house concerns.</p>
S 110	Sen. Richard Westman; Sen. Kesha Ram Hinsdale	<p>An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines</p> <p>This bill proposes to authorize a manufacturer of spirits or fortified wines to acquire a consumer shipping license and ship the manufacturer's products directly to consumers in Vermont.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/28/23)</p>